



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 12, 2008
TO: Mayor and Councilmembers
FROM: Administration Division, Finance Department
SUBJECT: Contract For Financial Management System Needs Assessment

RECOMMENDATION:

That Council authorize the Finance Director to execute a professional services contract in a form approved by the City Attorney with AEF Systems Consulting, Incorporated, in the amount of \$94,500 for a needs assessment in connection with the planned replacement of the City's Financial Management System, and approve expenditures of up to \$9,000 for extra services that may result from necessary changes to the scope of work.

DISCUSSION:

After eighteen years in operation, the City is moving forward with the replacement of its financial management system (FMS). The FMS is used by all departments in one form or another to perform their daily functions, including preparing claims for payments, creating purchasing requisitions, and processing personnel action forms. It is also used specifically by the Finance Department to process payroll, issue checks to vendors for payment of goods and services, develop the City's annual budget, and to account for all of the City's assets and financial transactions.

Funds were allocated and appropriated in this current fiscal year to hire a consultant to assist City staff in the completion of a citywide needs assessment. This is not only a critical first step, but also a very time consuming process, requiring the assistance of professionals with extensive experience in performing needs assessments for local governments.

REVIEWED BY: _____ Finance _____ Attorney _____ Name of Additional Department(s) That Need to Review CAR

Agenda Item No. _____

The selection process began with the formation of a selection team, consisting of staff from the Finance Department and Administrative Services Department (Information Systems). Staff identified almost twenty consultants from a request submitted on statewide "list serves" created for both finance and information systems professionals. The selection team obtained information from each of the firms regarding their experience and qualifications and, based on this information, developed a short list of seven firms. A request for proposal was sent to the seven short-listed firms and a total of five responded. Based on a review of the proposals received, the selection team narrowed the list down to the following three firms (including proposed fees):

Government Finance Officer's Association – Research and Consulting Center, Chicago, Illinois	\$ 113,580
SoftResources LLC, Kirkland, Washington	116,775
AEF Systems Consulting, Orange, California	94,500

All of the three finalists were interviewed by the selection team on site in City Hall and evaluated against the following six criteria:

1. Overall experience of the vendor in projects of similar size and scope.
2. The vendor's written and demonstrated understanding of the project scope.
3. Qualifications of individuals to be assigned to this project.
4. Favorable feedback from references.
5. Ability to meet the City's objectives and time frames discussed in this request for proposal.
6. Cost

While all three firms had extensive experience in performing needs assessments, and received very positive comments from past clients, the selection of AEF Systems Consulting was based on three factors that distinguished them from the other two:

Approach – AEF's approach to identifying the City's needs was more comprehensive and, in particular, provided the highest level of confidence in ensuring all critical requirements would be identified.

Location – AEF's offices are located in Orange County, California, just 2-3 hours south of Santa Barbara. Staff experience has shown that being in the same time zone and in relative proximity to City offices improves the level and effectiveness of communication between City staff and the consultants.

Price – AEF's proposed fee was \$19,080 less than the next lowest bidder.

BUDGETARY INFORMATION:

In connection with the adoption of the current fiscal year 2008 budget, Council allocated \$150,000 in funds to cover the estimated cost of a consultant. These funds are more than adequate to cover the consultant's fees, thus no budget adjustment is required.

PREPARED BY: Robert Samario, Assistant Finance Director

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office